

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD**

FINANCIAL REPORT

FOR THE TWO YEARS ENDED DECEMBER 31, 2004 AND 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-13-05

Camnetar & Co., CPAs
a professional accounting corporation

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
Basic Financial Statements
For The Years Ended December 31, 2004 and 2003
With Supplemental Information Schedules**

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MANAGEMENT'S DISCUSSION AND ANALYSIS

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2003 and December 31, 2004**

Our discussion and analysis of the Twenty-Fifth Judicial District of the State of Louisiana Indigent Defender Board's (The Board's) financial performance provides a narrative overview of the financial activities for the years ended December 31, 2003 and December 31, 2004. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (GWFS) - The Statement of Net Assets and the Statement of Activities provide information about the financial activities as a whole and present a longer-term view of the finances. Fund Financial Statements (FFS) - The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report, located immediately following this MD&A, that the Basic Financial Statements are fairly stated. The auditor regarding the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements

One of the most important questions asked about the Board's finances is, "Is the Board as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Board as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of the net assets - the difference between assets and liabilities - as one way to measure the financial health, or financial position. Over time, increases or decreases in the net assets are one indicator of whether its financial health is improving or deteriorating.

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2003 and December 31, 2004**

Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds - not the Board's operations as a whole. Some funds are required to be established by State laws. Other funds are established to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The Board utilizes only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliations at the bottom and following the fund financial statements.

Financial Highlights

Our financial statements provide these insights into the results of the years 2003 and 2004 operations:

Year ended December 31, 2003:

- Net Assets of our governmental funds increased by \$22,603 or approximately 56.16%
- During the year the Board had expenses of \$166,518 that were \$22,101 less than the \$188,619 generated in fees and other revenues for governmental programs.
- The governmental funds reported total ending fund balance of \$61,066. Fund balance for governmental activities increased by \$22,101 from the prior year - \$38,965.

Year ended December 31, 2004:

- Net Assets of our governmental funds increased by \$49,825 or approximately 79.28%
- During the year the Board had expenses of \$163,306 that were \$50,157 less than the \$213,463 generated in fees and other revenues for governmental programs.
- The governmental funds reported total ending fund balance of \$111,223. Fund balance for governmental activities increased by \$50,157 from the prior year - \$61,066.

The Statement of Net Assets and the Statement of Activities reports only one type of activity - governmental activities. All of the basic judicial services are reported as this type. Fines and fees charged to the public finance most of these activities.

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2003 and December 31, 2004**

Financial Analysis of the Board as a Whole (GWFS)

Our analysis below focuses on the net assets of the governmental-type activities:

Condensed Statement of Net Assets - Year Ended December 31, 2003

	<u>2003</u>	<u>2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and other assets	\$ 229,617	\$ 142,270	\$ 87,347	61.40%
Capital assets	<u>1,781</u>	<u>1,279</u>	<u>502</u>	<u>39.25%</u>
Total Assets	231,398	143,549	87,849	61.20%
 Current liabilities	 <u>168,551</u>	 <u>103,305</u>	 <u>65,246</u>	 <u>63.16%</u>
 Invested in capital assets	 1,781	 1,279	 502	 39.25%
Unrestricted	<u>61,066</u>	<u>38,965</u>	<u>22,101</u>	<u>56.72%</u>
Total Net Assets	<u>\$ 62,847</u>	<u>\$ 40,244</u>	<u>\$ 22,603</u>	<u>56.16%</u>

As a result of the year of 2003's operations, net assets increased by \$22,603. The increase was due to an increase of funds received and a net decrease of expenses incurred.

Our analysis below focuses on the net assets of the governmental-type activities:

Condensed Statement of Activities - Year Ended December 31, 2003

	<u>2003</u>	<u>2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Total program expenses	\$ 166,016	\$ 193,505	\$ (27,489)	-14.21%
Total program revenues	<u>187,029</u>	<u>88,759</u>	<u>98,270</u>	<u>110.72%</u>
Net program income	21,013	(104,746)	70,781	-67.57%
 General revenues	 <u>1,590</u>	 <u>3,154</u>	 <u>(1,564)</u>	 <u>-49.59%</u>
Change in net assets	22,603	(101,592)	124,195	-122.25%
 Net Assets:				
Beginning of the year	40,244	141,836	(101,592)	-71.63%
End of the year	<u>\$ 62,847</u>	<u>\$ 40,244</u>	<u>\$ 22,603</u>	<u>56.16%</u>

The total revenues for the year ending December 31, 2003 in governmental activities were \$188,619 (\$187,029 in charges for services and operating grants and \$1,590 in interest income). The total cost of all judicial programs and services was \$165,684.

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2003 and December 31, 2004**

Condensed Statement of Net Assets - Year Ended December 31, 2004

	<u>2004</u>	<u>2003</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and other assets	\$ 230,967	\$ 229,617	\$ 1,350	0.59%
Capital assets	<u>1,449</u>	<u>1,781</u>	<u>(332)</u>	<u>-18.64%</u>
Total Assets	232,416	231,398	1,018	0.44%
 Current liabilities	 <u>119,744</u>	 <u>168,551</u>	 <u>(48,807)</u>	 <u>-28.96%</u>
 Invested in capital assets	 1,449	 1,781	 (332)	 -18.64%
Unrestricted	<u>111,223</u>	<u>61,066</u>	<u>50,157</u>	<u>82.14%</u>
Total Net Assets	<u>\$ 112,672</u>	<u>\$ 62,847</u>	<u>\$ 49,825</u>	<u>79.28%</u>

As a result of the year of 2004's operations, net assets increased by \$49,825. The increase was due to a net increase of funds received and a net decrease of expenses incurred.

Our analysis below focuses on the net assets of the governmental-type activities:

Condensed Statement of Activities - Year Ended December 31, 2004

	<u>2004</u>	<u>2003</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Total program expenses	\$ 163,638	\$ 166,016	\$ (2,378)	-1.43%
Total program revenues	<u>211,470</u>	<u>187,029</u>	<u>24,441</u>	<u>13.07%</u>
Net program income	47,832	21,013	22,063	105.00%
 General revenues	 <u>1,993</u>	 <u>1,590</u>	 <u>403</u>	 <u>25.35%</u>
Change in net assets	49,825	22,603	27,222	120.44%
 Net Assets:				
Beginning of the year	62,847	40,244	22,603	56.16%
End of the year	<u>\$ 112,672</u>	<u>\$ 62,847</u>	<u>\$ 49,825</u>	<u>79.28%</u>

The total revenues for the year ending December 31, 2004 in governmental activities were \$213,463 (\$211,470 in charges for services and operating grants and \$1,993 in interest income). The total cost of all judicial programs and services was \$163,306

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2003 and December 31, 2004**

Financial Analysis of the Board's Funds (FFS)

The Board utilizes funds to control and manage money for particular purposes. Reviewing individual funds provides the information to determine if an entity is being accountable for the resources provided and may also give you more insight into the overall financial health.

The governmental fund (general fund) reported an ending fund balance of \$61,066 for the Year 2003 and \$111,223 for the Year 2004. This reflects an increase from the Year 2002. The increase is primarily due to recovering revenue increases from the fire of the Plaquemines Parish Courthouse in January 2002 wherein many records were lost or destroyed and court proceedings were halted or hindered during the recovery and rebuilding of records.

General Fund Budgetary Highlights

There were no amendments to the original budget for the year ending December 31, 2003 or for the year ending December 31, 2004.

Capital Assets

The Board had capital asset investments, net of accumulated depreciation, for governmental activities as of December 31, 2004 of \$1,449 and \$1,781 as of December 31, 2003.

In 2003 there were \$835 in additions and no dispositions in capital assets. Depreciation expense of \$332 was charged to the governmental fund for 2004 and 2003. More detailed information about the Board's capital assets is presented in Note E to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Among the factors considered in compiling the 2005 budget were:

1. Any changes in rates and fees for the next fiscal year
2. Personnel and benefit changes
3. Any new laws and regulations enacted that would apply to the upcoming year
4. Any new revenue sources or expenditures not previously encountered.

Highlights of next year's adopted budget for the general fund include:

Projected Beginning Balance	\$	111,220
Anticipated Income for 2005		193,500
Anticipated Expenditures for 2005		<u>193,500</u>
Excess Expenditures over Revenues		<u>-</u>
Projected Ending Balance	\$	<u>111,220</u>

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2003 and December 31, 2004**

Contacting the Board's Financial Management

This financial report is designed to provide a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

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INDEPENDENT AUDITOR'S REPORT

Camnetar & Co., CPAs
a professional accounting corporation
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Edward L. Camnetar, Jr., CPA
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Orfelinda G. Richard, CPA

Members: American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Members of the Board
Twenty-Fifth Judicial District of the State of Louisiana
Indigent Defender Board
Plaquemines Parish, Louisiana

We have audited the accompanying basic financial statements of the Twenty-Fifth Judicial District of the State of Louisiana Indigent Defender Board as of and for the years ended December 31, 2004 and 2003, as listed in the table of contents. These basic financial statements are the responsibility of the Twenty-Fifth Judicial District of the State of Louisiana Indigent Defender Board's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred above present fairly, in all material respects, the financial position of the Twenty-Fifth Judicial District of the State of Louisiana Indigent Defender Board as of December 31, 2004 and 2003, and the respective changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2005, on our consideration of the Twenty-Fifth Judicial District of the State of Louisiana Indigent Defender Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the required Supplementary information section are not a required part of the basic financial statements but are supplementary information required by the Government Auditing Standards Board. We have applied certain limited procedures, which consist primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Camnetar & Co., CPAs

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Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Twenty-Fifth Judicial District of the State of Louisiana Indigent Defender Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

June 21, 2005

BASIC FINANCIAL STATEMENTS

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
STATEMENT OF NET ASSETS
December 31, 2004 and 2003**

ASSETS

	<u>2004</u>	<u>2003</u>
Current assets		
Cash and cash equivalents	\$ 208,281	\$ 211,932
Fines and forfeitures receivable	<u>22,686</u>	<u>17,685</u>
Total current assets	<u>230,967</u>	<u>229,617</u>
Noncurrent assets		
Capital assets, net of depreciation	<u>1,449</u>	<u>1,781</u>
 Total assets	 <u>232,416</u>	 <u>231,398</u>

LIABILITIES

Current liabilities		
Accounts payable	1,737	917
Due to Plaquemines Parish Government	<u>118,007</u>	<u>167,634</u>
Total current liabilities	<u>119,744</u>	<u>168,551</u>
 Total liabilities	 <u>119,744</u>	 <u>168,551</u>

NET ASSETS

Invested in capital assets	1,449	1,781
Unrestricted	<u>111,223</u>	<u>61,066</u>
	<u>\$ 112,672</u>	<u>\$ 62,847</u>

The accompanying notes are an integral part of this statement

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
STATEMENT OF ACTIVITIES
For the Years Ended December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Program Expenses		
Governmental Activities		
General Government - Judicial		
Personnel costs	\$ 148,746	\$ 140,773
Court costs	11,475	13,833
Insurance	1,848	1,848
Audit expense	-	3,600
Office expense	1,237	5,630
Depreciation	332	332
Total Program Expenses	<u>163,638</u>	<u>166,016</u>
Program Revenues		
Fines forfeitures and fees	205,190	153,257
Operating grants	6,280	33,772
Total Program Revenues	<u>211,470</u>	<u>187,029</u>
General Revenues		
Unrestricted investment earnings	1,993	1,590
Total General Revenues		
 Increase in Net Assets	 49,825	 22,603
Net Assets		
Beginning of the year	62,847	40,244
End of the year	<u>\$ 112,672</u>	<u>\$ 62,847</u>

The accompanying notes are an integral part of this statement

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
BALANCE SHEET - GOVERNMENTAL FUND
For The Years Ended December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash and cash equivalents	\$ 208,281	\$ 211,932
Fines and forfeitures receivable	<u>22,686</u>	<u>17,685</u>
Total Assets	<u>230,967</u>	<u>229,617</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Accounts payable	1,737	917
Due to Plaquemines Parish Government	<u>118,007</u>	<u>167,634</u>
Total Liabilities	119,744	168,551
FUND EQUITY		
Fund balance, unreserved, undesignated	<u>111,223</u>	<u>61,066</u>
Reconciliation to statement of net assets		
Invested in capital assets, net of depreciation	<u>1,449</u>	<u>1,781</u>
Net assets of governmental activities	<u>\$ 112,672</u>	<u>\$ 62,847</u>

The accompanying notes are an integral part of this statement

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUND
For The Years Ended December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
REVENUES		
Fines forfeitures and fees	\$ 205,190	\$ 153,257
Operating grants	6,280	33,772
Unrestricted investment earnings	<u>1,993</u>	<u>1,590</u>
TOTAL REVENUES	<u>213,463</u>	<u>188,619</u>
 EXPENDITURES, JUDICIAL		
Personnel costs	\$ 148,746	\$ 140,773
Court costs	11,475	13,833
Insurance	1,848	1,848
Audit expense	-	3,600
Office expense	<u>1,237</u>	<u>5,630</u>
Total current expenditures	163,306	165,684
Capital outlay	<u>-</u>	<u>834</u>
TOTAL EXPENDITURES	<u>163,306</u>	<u>166,518</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 50,157	 22,101
 FUND BALANCE		
Beginning of the year	61,066	38,965
End of the year	<u>\$ 111,223</u>	<u>\$ 61,066</u>

The accompanying notes are an integral part of this statement

TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES
For The Years Ended December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Net change in fund balances - governmental fund	\$ 50,157	\$ 22,101
Reconciling items		
Capital outlay		834
Depreciation expense	<u>(332)</u>	<u>(332)</u>
Changes in net assets of governmental activities	<u>\$ 49,825</u>	<u>\$ 22,603</u>

The accompanying notes are an integral part of this statement

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
NOTES TO THE FINANCIAL STATEMENTS
For The Years Ended December 31, 2004 and 2003**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Activities

The Twenty Fifth Judicial District Indigent Defender Board was established in compliance with Louisiana Revised Statutes 15:144-149, to provide and compensate counsel to represent indigents in criminal and quasi-criminal cases on the district court level. The Board consists of three members who are appointed by the district court for life. Board members serve without compensation. Revenues to finance the Board's operations are primarily provided from court costs and fines imposed by the various courts within the district. In addition, the Board receives fees assessed by the courts on the indigent defendants. The Board has three employees.

Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

Reporting Entity

Governmental Accounting Standards Board Statement No. 14 "The Financial Reporting Entity", sets forth the standards for defining and presenting the reporting entity in financial statements. To fairly present the financial position and results of operations of the financial reporting entity, a government must determine whether its reporting entity consists of only the legal entity known as the "primary government" or one or more organizations called "component units".

According to GASBS No. 14, the Twenty Fifth Judicial District Indigent Defender Board is considered a primary government defined as any state government or general purpose local government or a special purpose government that meets all of the following criteria:

- 1) It has a separately elected governing body;
- 2) It is legally separate;
- 3) It is fiscally independent of other state and local governments.

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For The Years Ended December 31, 2004 And 2003**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Inclusion of a "potential component unit" in the primary government's reporting entity depends on whether the primary government is financially accountable for the potential component unit. The key criteria for deciding financial accountability are any one of the following:

- a. Fiscal dependency of the potential component unit on the primary government, or
- b. The primary government appoints a voting majority of the potential component unit's governing body and:
 - 1. the primary government can impose its will on the potential component unit and/or
 - 2. a financial benefit/burden relationship exists between the primary government and the potential component unit; or
- c. The primary government's financial statements would be misleading or incomplete if the potential component unit were excluded.

The Board's financial statements include all funds and activities et cetera, that are within the oversight responsibility of the Twenty Fifth Judicial District Indigent Defender Board.

Fund Accounting

The board accounts are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The Board has only one fund, the General Fund.

The Board reports the General Fund as a governmental fund. The General Fund is the entity's only operating fund. It accounts for all financial resources of the entity.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Changes in Net Assets report information on all of the Board's activities.

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For The Years Ended December 31, 2004 And 2003**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Government-Wide Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as general taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Court costs, fines, forfeitures, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives it.

Cash

Cash includes amounts in interest-bearing demand deposits. Under state law, the Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under laws of the United States.

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For The Years Ended December 31, 2004 And 2003**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets that include property, plant and equipment, are capitalized at historical cost and depreciated over their estimated useful lives. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives.

- Furniture and Equipment 7 years

Compensated Absences

The Board has the following policy relating to vacation and sick leave:

The Board has one full time and two part-time employees. The full time employee receives two weeks paid vacation and twelve sick days leave annually. Vacation and sick leave must be used in the year earned or it will be forfeited.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, expenses during the reporting period. Actual results could differ from those estimates.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Information

The Board's chairman and secretary prepare a balanced operating budget that is then adopted at a regular meeting of the Board. This took place in June 2003 and January 2004. The budget may be amended during the year as conditions dictate so long as it remains in balance. The Board did not amend the December 31, 2003 or 2004 budget.

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For The Years Ended December 31, 2004 And 2003**

NOTE C - CASH AND CASH EQUIVALENTS

Louisiana revised statutes authorize the Board to invest in United States Bonds, treasury notes, certificates of deposit, or any other federally insured investment. At December 31, 2003 and 2004, the carrying amount of the Board's cash was \$211,932 and \$208,281 and the bank balance was \$211,932 and \$208,281 respectively. \$100,000 of the bank balance is insured by federal depository insurance and the remainder is covered by pledged investment securities as required by Louisiana revised statutes. (GASB Category 1)

NOTE D - CAPITAL ASSETS

Capital asset and depreciation activity as of and for the years ended December 31, 2004 and 2003 is as follows:

	<u>2004</u>	<u>2003</u>
Beginning Balance	\$ 1,787	\$ 1,279
Additions	-	834
Deletions	-	-
Depreciation expense	<u>(332)</u>	<u>(332)</u>
Ending Balance	<u>\$ 1,455</u>	<u>\$ 1,781</u>

NOTE E - PENSION PLAN

The Board's only full time employee is a member of the Parochial Employees Retirement System of Louisiana (System), a cost sharing, multiple-employer, defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and separate benefit provisions. The Board's employee is a member of Plan A.

All permanent employees working at least 28 hours per week and who are paid wholly or in part from Board funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental-plan-only prior to January 1, 1980, the benefit is equal to one percent of final-average salary, plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980, plus 3 percent of final-average salary for each year of service credited after the revision date. Final-average salary is the employee's average salary over the 36 consecutive or joined

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For The Years Ended December 31, 2004 And 2003**

NOTE E - PENSION PLAN (Continued)

months that produces the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619 or by calling (225) 928-1361.

Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary, and the parish is required to contribute at an actuarially determined rate. The current rate is 12.75 percent of annual covered payroll. Contributions to the System include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B, based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Parish is established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Board's contributions to the System under Plan A for the years ending December 31, 2004, and 2003 were \$3,290, and \$2,041, respectively, equal to the required contributions for each year.

NOTE F - DEFERRED COMPENSATION PLAN

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. A third party, the State Mutual Life Assurance Company of America, administers the plan. The plan, which is available to all employees, permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The deferred compensation liability and asset are equal to the total cash balances for each participant's account as of December 31, 2004. The Board has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The Board intends to honor its moral obligation to the participants implicit in the program. No Board employees are participants in the plan.

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For The Years Ended December 31, 2004 And 2003**

NOTE G- POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board provides certain continuing health care and life insurance benefits for its retired employees as authorized by Parish Resolution 96-349. Substantially all of the Board's employees become eligible for these benefits when they reach normal retirement age while working for the Board. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid in full by the Board or jointly by the employee and the Board depending upon the retiree's individual situation. The Parish recognizes the cost of providing these benefits as expenditure when paid. For 2004 and 2003 the Board had no retired employees participating in the plan.

NOTE H - CONTINGENCIES

As of December 31, 2004, there were no pending or threatened litigation against the Board.

REQUIRED SUPPLEMENTARY INFORMATION

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
For The Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Fines forfeitures and fees	\$ 157,000	No	\$ 153,257	\$ (3,743)
Operating grants	8,000	Amendments	33,772	25,772
Unrestricted investment earnings	<u>2,000</u>	to Original	<u>1,590</u>	<u>(410)</u>
TOTAL REVENUES	<u>167,000</u>	Budget	<u>188,619</u>	<u>21,619</u>
EXPENDITURES, JUDICIAL				
Personnel costs	141,000		\$ 140,773	227
Court costs	16,700		13,833	2,867
Insurance	2,000		1,848	152
Audit expense	3,600		3,600	-
Office expense	<u>3,700</u>		<u>5,630</u>	<u>(1,930)</u>
Total current expenditures	167,000		165,684	1,316
Capital outlay	<u>-</u>		<u>834</u>	<u>(834)</u>
TOTAL EXPENDITURES	<u>167,000</u>		<u>166,518</u>	<u>482</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-		22,101	22,101
FUND BALANCE				
Beginning of the year	38,965		38,965	38,965
End of the year	<u>\$ 38,965</u>		<u>\$ 61,066</u>	<u>\$ 61,066</u>

See auditor's report.

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
For The Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Fines forfeitures and fees	\$ 157,500	No	\$ 205,190	\$ 47,690
Operating grants	8,000	Amendments	6,280	(1,720)
Unrestricted investment earnings	3,500	to Original	1,993	(1,507)
TOTAL REVENUES	<u>169,000</u>	Budget	<u>213,463</u>	<u>44,463</u>
 EXPENDITURES, JUDICIAL				
Personnel costs	148,000		148,746	(746)
Court costs	13,075		11,475	1,600
Insurance	1,900		1,848	52
Audit expense	3,600		-	3,600
Office expense	2,425		1,237	1,188
Total current expenditures	169,000		163,306	5,694
Capital outlay	-		-	-
TOTAL EXPENDITURES	<u>169,000</u>		<u>163,306</u>	<u>5,694</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			50,157	50,157
 FUND BALANCE				
Beginning of the year	61,066		61,066	61,066
End of the year	<u>\$ 61,066</u>		<u>\$ 111,223</u>	<u>\$ 111,223</u>

See auditor's report.

REPORTS REQUIRED BY GAO

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Members of the Board
Twenty Fifth Judicial District of the State of Louisiana
Indigent Defender Board
Plaquemines Parish, Louisiana

We have audited the basic financial statements of the Twenty Fifth Judicial District of the State of Louisiana Indigent Defender Board as of December 31, 2004 and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated June 21, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Twenty Fifth Judicial District Indigent Defender Board's financial statements are free of material mis-statement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Accounting Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Twenty Fifth Judicial District Indigent Defender Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one

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Internal Control Over Financial Reporting (Continued)

or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management, the Board of Directors, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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a professional accounting corporation

Gretna, Louisiana

June 21, 2005

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Years Ended December 31, 2004 And 2003**

We have audited the financial statements of the governmental activities and major fund of the Twenty-Fifth Judicial District of the State of Louisiana Indigent Defender Board, Plaquemines Parish, Louisiana of and for the years ended December 31, 2004 and 2003, which collectively comprise the basic financial statements, and have issued our report thereon dated June 21, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the basic financial statements as of December 31, 2004 and 2003 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements.

Internal Control

Material Weaknesses ☐ Yes ☒ No Reportable Conditions ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

b. Federal Awards

None

Section II Financial Statement Findings

None

OTHER SUPPLEMENTAL INFORMATION

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
SCHEDULE OF PRIOR YEAR FINDINGS
For The Years Ended December 31, 2004 And 2003**

SECTION I *Internal Control and Compliance Material to the Financial Statements*

2002-1 *Budgetary Monitoring - Resolved*

2002-2 *Budgetary Control - Resolved*

**TWENTY-FIFTH JUDICIAL DISTRICT
OF THE STATE OF LOUISIANA
INDIGENT DEFENDER BOARD
MANAGEMENT'S CORRECTIVE ACTION PLAN
For The Years Ended December 31, 2004 And 2003**

None Required